



DEPARTMENT OF HOMELAND SECURITY

U.S. Customs & Border Protection

Document Imaging System (DIS) Pilot for Used Self-Propelled Vehicles Export Document Submission

AGENCY: U.S. Customs and Border Protection, DHS.

ACTION: General notice.

SUMMARY: This document announces that U.S. Customs and Border Protection (CBP) plans to conduct a pilot to promote paperless processing of export documentation for used self-propelled vehicles (USPVs). Generally, USPVs include any vehicle that can be driven on land but not rail. The CBP regulations require a person attempting to export a USPV to present original vehicle ownership documentation to CBP at the port of exportation. In an effort to expedite and modernize the document submission and review process, CBP will be operating a voluntary pilot in which participants will submit the required vehicle ownership documentation to CBP electronically via the Document Imaging System (DIS). This voluntary pilot will evaluate the feasibility of using the DIS for the purpose of obtaining and reviewing vehicle ownership documentation for USPVs. This notice includes a description of the pilot, the eligibility requirements for participation, and invites public comment on any aspect of the pilot.

DATES: This voluntary pilot will begin no earlier than **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and will run for approximately two years. The pilot will apply to the export of all USPVs regardless of the mode of transportation. Implementation of the pilot for each mode of transportation and/or port participation will be staggered and will be announced to the public through the Cargo Systems Messaging Service (CSMS).¹ The CSMS message will include the start date for accepting

¹ Archived public CSMS messages can be accessed at: <https://www.cbp.gov/trade/automated/cargo-systems-messaging-service>.

ownership documentation via the DIS. Comments concerning this notice and all aspects of the announced pilot may be submitted at any time during the pilot period.

ADDRESSES: Interested parties should contact their local CBP vehicle export processing office and express their interest and intent to participate in the DIS pilot. Written comments concerning the program, policy, and technical issues may be submitted at

UsedVehicleDISTEST@cbp.dhs.gov.

FOR FURTHER INFORMATION CONTACT: Stephan Keating, Cargo and Conveyance Security (CCS), Office of Field Operations (OFO), U.S. Customs and Border Protection, at 202-344-2847 or via email at Stephan.D.Keating@cbp.dhs.gov and David Garcia, Cargo and Conveyance Security (CCS), OFO, CBP at David.USCS.Garcia@cbp.dhs.gov and 202-344-3277.

SUPPLEMENTARY INFORMATION:

I. Background and Purpose of the Pilot

A. Current Requirements for Export of Used Self-Propelled Vehicles

In 1984, Congress enacted the Motor Vehicle Theft Enforcement Act, Public Law 98-547, 98 Stat. 2754 codified at 19 U.S.C. 1627a (1984 Act), which makes it unlawful to import or export, or attempt to import or export, any stolen self-propelled vehicle, vessel, or aircraft.

Pursuant to the 1984 Act, the Department of Homeland Security is authorized to promulgate regulations for the export of used self-propelled vehicles. The 1984 Act allows CBP to share relevant information with such Federal, State, local, and foreign law enforcement or governmental authorities, and with such organizations engaged in theft prevention activities, as may be designated by the Secretary.

In 1992, Congress imposed additional requirements on the export of used vehicles, with the enactment of the Anti Car Theft Act, Public Law 102-519, 106 Stat. 3400, codified at 19 U.S.C. 1646b - 1646c (1992 Act). The 1992 Act requires all persons or entities exporting used automobiles, by air or vessel, including automobiles exported for personal use, to provide CBP

with certain information including the Vehicle Identification Number (VIN) and proof of ownership of the vehicle at least 72 hours prior to exportation. The 1992 Act authorizes the Commissioner of CBP to establish risk-based targeting criteria for automobiles being exported, and to check the VIN of targeted automobiles against the information in the National Crime Information Center (NCIC) to determine whether the vehicle has been reported stolen. *See* 19 U.S.C. 1646c.

The implementing regulations for the above statutes are set forth in part 192 of title 19 of the Code of Federal Regulations (19 CFR part 192). Among other things, part 192 includes regulations pertaining to procedures for the lawful exportation of USPVs. In general, a self-propelled vehicle is any vehicle that can be driven on land but not on rail. Specifically, 19 CFR 192.1 defines *self-propelled vehicle* as any automobile, truck, tractor, bus, motorcycle, motor home, self-propelled agricultural machinery, self-propelled construction equipment, self-propelled special use equipment, and any other self-propelled vehicle used or designed for running on land but not on rail. Section 192.1 defines *used* as any self-propelled vehicle the equitable or legal title to which has been transferred by a manufacturer, distributor, or dealer to an ultimate purchaser. Finally, section 192.1 defines *export* as the transportation of merchandise out of the U.S. for the purpose of being entered into the commerce of a foreign country.

19 CFR 192.2 requires that in the case of a vehicle being exported by vessel or aircraft, both the required documentation describing the vehicle and the vehicle must be presented to CBP at least 72 hours prior to export, and in the case of a vehicle being exported at a land border crossing (by rail, highway, or under its own power), the required documentation must be submitted at least 72 hours prior to export, and the vehicle must be presented at the time of export. The required documentation includes the VIN or, if the vehicle does not have a VIN, the product information number (PIN). Section 192.2(b) specifies the type of documents that must be submitted in different circumstances. Exportation of a vehicle is permitted only upon compliance with these requirements unless, as per section 192.2(a), the vehicle was entered into

the United States under an in-bond procedure, or under a carnet or Temporary Importation Bond (TIB). Such vehicles are exempt from these requirements.

B. Authorization for the Pilot

The test described in this notice is authorized pursuant to 19 CFR 101.9(a), which grants the Commissioner of CBP the authority to impose requirements different from those specified in CBP regulations for purposes of conducting a test program or procedure designed to evaluate the effectiveness of new technology or operational procedures regarding the processing of passengers, vessels, or merchandise.

C. Purpose of Pilot

CBP is implementing this voluntary Document Imaging System (DIS) pilot in order to expedite and modernize the document submission and review process for the export of used self-propelled vehicles.

During Fiscal Years 2018-2020, there was an annual average of 1.4 million, used self-propelled vehicles exported from the United States. Under the current regulatory export procedures, the person who is attempting to export a used self-propelled vehicle must present to CBP both the vehicle and specified paper documents. This paper process is a drain on limited CBP staffing resources at ports with significant traffic because it requires CBP to devote numerous hours to review vehicle export paperwork.

The pilot will allow CBP to test the mechanisms through which the required documentation may be submitted electronically, as a preliminary step towards moving to a more automated and efficient export reporting system for export of used self-propelled vehicles. Having the required documentation available electronically will enable CBP to institute better risk-based targeting of exports. This will be accomplished by making electronic document and information submission the primary means for meeting export reporting requirements and reserving field inspection of vehicles and examination of original ownership documentation only for cases where targeting and risk assessment have identified a need for additional scrutiny. The

receipt of the electronic ownership documentation will also improve CBP's ability to target and identify high-risk vehicle exports pre-departure while facilitating the process for legitimate exportation through a more streamlined and efficient port procedure. Considering the high volume of vehicle exports, it is expected that the electronic submission of the required documentation will have a significant impact on the speed and efficiency of vehicle export processing. The pilot will allow CBP to assess the effectiveness of these procedures and will allow the agency to test the functionality of the systems required for electronic submission. The results of the pilot will help CBP determine whether to eventually require through rulemaking the electronic submission of vehicle ownership documentation using the DIS.

II. Description of Pilot

In this voluntary pilot, participants will submit the required ownership documentation as set forth in 19 CFR part 192 through the DIS in ACE, using either the Electronic Data Interchange (EDI) via an Approved Broker Interface (ABI), or via email (at docs@cbp.dhs.gov). Participants will be required to submit the documentation in accordance with existing regulatory timeframes depending on the mode of export.² Participation in the pilot will not alter the requirements for presentation of the vehicle to CBP. *See* 19 CFR 192.2(c), (d).

Under the pilot, the electronically submitted documents will be linked to the Electronic Export Information (EEI)³ filing in the Automated Export System (AES) via the Internal Transaction Number (ITN) generated at the time of the EEI submission. Participants will be required to transmit a valid ITN number to CBP with the DIS submission. Participants will have

² For export by ocean or air, participants must submit the documents at least 72 hours prior to export, but only after the vehicle is delivered to the port in preparation for departure from the United States; for export by land or rail, participants must submit documentation 72 hours prior to arriving at the border for departure from the United States. 19 CFR 192.2(c).

³ The Electronic Export Information (EEI) is required pursuant to the Census Foreign Trade Regulations (FTR). 15 CFR part 30, subpart E. 19 CFR part 192 also sets forth CBP's requirements pertaining to the Automated Export System (AES), implemented by FTR. The AES is the electronic system of record for collecting EEI from persons exporting goods from the United States to foreign countries. The EEI for all used self-propelled vehicles must be filed via AES regardless of value or country of destination 72 hours prior to export. 15 CFR 30.2(a)(1)(iv)(H), (b)(5).

to submit EEI prior to submitting the vehicle documents to DIS. CBP will request original documentation and conduct a physical examination of the vehicle when necessitated by the results of targeting and risk assessment.

The sections below describe the pilot, including specific instructions on how to participate in the pilot (section D), in more detail.

A. Procedures for the Export of Used Self-Propelled Vehicles Under the Pilot

As discussed in section I.A., 19 CFR 192.2 requires a person attempting to export a used self-propelled vehicle to present the vehicle and certain required documents at the port of exportation. The documentary requirements vary by type of vehicle,⁴ and the timeframes for presenting the documents and vehicle vary by manner of export.⁵ The DIS pilot changes only the *manner* in which the required documents are submitted to CBP. For pilot participants, CBP will waive the requirement in 19 CFR 192.2 to present original physical copies of the documents and require the documents to be submitted electronically using the DIS (EDI or email) instead. However, CBP will retain the right to request original documents on an as-needed basis. All other requirements of 19 CFR part 192, including the requirement to present the vehicle, will remain unchanged.⁶

Pilot participants agree to provide via electronic means, and in accordance with timeframes that apply by mode of transportation, the documentation required under 19 CFR 192.2. Pilot participants agree to submit the documentation required for the export of used self-propelled vehicles via the DIS, using either the EDI via an approved ABI or by submitting the documents in PDF format to the email address docs@cbp.dhs.gov. Participants will receive an

⁴ For example, U.S. titled vehicles, vehicles with title that evidences third-party ownership/claims, foreign titled vehicles, etc. See 19 CFR 192.2(b).

⁵ See 19 CFR 192.2(c).

⁶ The pilot does not change the specific documents required for any particular type of vehicle, nor does it change the timeframes by which the documentation must be submitted. The pilot also does not change the requirement to present the vehicle to CBP, as set forth in 19 CFR 192.2(c) and (d). 19 CFR part 192 exempts certain categories of vehicles from the EEI filing requirement of the Census Foreign Trade Regulations (15 CFR part 30, subpart E). The EEI filing requirements remain unchanged under this pilot.

automated response in the format in which the required documents were submitted, EDI or email, confirming that the document submission was received.⁷ The participants will be able to use the automated response together with the AES-generated ITN to show that they complied with CBP's reporting requirements. The documentation submitted via the DIS will be used by CBP to review and process vehicles pending export to ensure compliance with U.S. laws and regulations. CBP reserves the right to request original (paper) documentation at any time. Consequently, pilot participants must continue to have access to the documentation in its original form for the entire time from submission to clearance by CBP, in the same manner as required by 19 CFR part 192.

For vehicles to be transported by ocean or air, the required documents must be submitted at least 72 hours prior to export, and only after the vehicle is delivered to the port in preparation for departure from the United States. For vehicles to be transported by land or rail, the documents must be submitted 72 hours prior to the vehicle's arriving at the border for departure from the United States. These are the same timeframes that apply under the current regulations, and CBP anticipates that these timeframes will provide adequate time for CBP to perform proper risk assessment, while minimizing disruption to the flow of goods. Consistent with current standard operational procedures, the inspections could potentially take place at any time prior to departure from the United States.

Pilot participants agree to adhere to established operational security protocols that correspond to their local CBP vehicle export processing office. Pilot participants also agree to participate in any teleconferences or meetings called by CBP, to ensure that any challenges, or operational or technical issues regarding the pilot are properly communicated and addressed.

Participation in the pilot does not alter participants' obligations to comply with any other applicable statutory or regulatory requirements. Participants will continue to be subject to

⁷ This is different from the current process whereby CBP ports of export stamp the original documentation provided by the exporter and the exporter then uses the stamped documentation as evidence that CBP cleared the vehicle prior to departure from the United States.

applicable penalties for non-compliance. In addition, submission of documentation using the DIS under the pilot does not exempt the participant from any CBP or other U.S. Government agency program requirements or any statutory sanctions in the event that a violation of U.S. export control laws occurs or prohibited articles are discovered with a vehicle presented for export from the United States.

B. Duration and Scope of Pilot

Participants must be individually approved by CBP in order to participate in the pilot, and the pilot may be limited to a single or small number of ports until any operational, training, or technical issues on the trade or government side are established and/or resolved. The start date for the pilot will be no earlier than **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Implementation of the pilot for each mode of transportation and/or participating port will be staggered and will be announced to the public through the CSMS. The CSMS message will include the start date for accepting ownership documentation via the DIS. The pilot will run for approximately two years from the start date.

C. Eligibility Requirements

Eligibility is limited to parties who are responsible for submitting the documentation required by 19 CFR 192.2 as part of the export transaction and who have access to the ITN for the AES commodity filing. In addition, participants must agree to submit the required documentation via the DIS, as described above.

D. Application Process and Acceptance

Parties interested in participating in this pilot should, as a preliminary matter, submit a request to receive *Export* updates via the CSMS. Requests may be made at <https://www.cbp.gov/trade/automated/cargo-systems-messaging-service>. The CSMS will be used to provide pilot participants with technical and operational updates and guidance throughout the pilot, and may be used to announce technical, non-substantive changes to the pilot. CBP will

utilize the CSMS to announce the implementation of the pilot for each mode of transportation and/or participating port. Only once the pilot has been extended to their mode of transportation and participating port, will an interested party be able to participate in the pilot.

Once the pilot has been implemented for their mode of transportation and port, interested parties should then contact their local CBP vehicle export processing office and express their interest and intent to participate in the DIS pilot. Detailed instructions for participation in the pilot can be found in the DIS Instructional Guide for the Exportation of Used Self-Propelled Vehicles located on the CBP website, at <https://www.cbp.gov/trade/basic-import-export/export-docs/motor-vehicle>. There is no specific application for participation in the pilot. However, interested participants must communicate their interest and intent to the relevant port before taking any other action. The port will further direct potential pilot participants. Prospective participants will be asked to submit the first submission of ownership documents and contact their local CBP vehicle processing office to verify that their first transmission of ownership documents is successful, prior to being granted participation in the pilot. Once this review and verification is complete, participants will be permitted to participate fully in the pilot.

Participation in the pilot is open to all eligible parties that have been approved to participate, subject to the discretion of the Port Director at the port from which parties intend to export the USPVs.

E. Technical Specifications

Ownership documents must be submitted via the DIS, either using the EDI via an approved ABI or via email at docs@cbp.dhs.gov, in a PDF format up to 10MB. Detailed instructions for participation in the pilot can be found in a document named DIS Instructional Guide for the Exportation of Used Self-Propelled Vehicles located on the CBP website, at <https://www.cbp.gov/trade/basic-import-export/export-docs/motor-vehicle>.

F. Costs to Pilot Participants

Participants are responsible for all costs incurred as a result of their participation in the pilot.

G. Benefits to Pilot Participants

While the benefits to individual pilot participants may vary, advantages to joining in the pilot include:

- Reducing the costs associated with paper processing;
- Expediting review and release of USPVs by CBP;
- Providing input into CBP's efforts to establish, test and refine the interface between government and industry communication systems in order to enable paper-free processing of USPV export requirements;
- Facilitating corporate preparedness for possible future mandatory implementation of electronic submission of documentation using the DIS; and
- Facilitating the efficient processing of legitimate USPV exports across all modes of transportation.

H. Evaluation of the Pilot

While the pilot is ongoing, CBP will evaluate the effectiveness of using the DIS and will determine if any extensions or modifications are needed. Technical modifications will be announced using the CSMS. Any substantive changes to the pilot, including extensions, will be announced in the *Federal Register*.

The results of the pilot will help CBP analyze and evaluate the effectiveness of using the DIS or some other method to collect export documentation for USPVs. When sufficient analysis and evaluation have been conducted, CBP will decide whether to require electronic submission of ownership documentation using the DIS or some other method. Any changes to the regulations will be done through rulemaking.

I. Confidentiality

All data submitted and entered into ACE is subject to the Trade Secrets Act (18 U.S.C. 1905) and is considered confidential, except to the extent as otherwise provided by law. However, participation in this or any ACE pilot is not confidential and upon a written Freedom of Information Act (FOIA) request, the name(s) of an approved participant(s) will be disclosed by CBP in accordance with 5 U.S.C. 552.

III. Privacy

CBP will ensure that all Privacy Act requirements and applicable policies are adhered to during the implementation of this pilot.

IV. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3507(a)) requires that CBP consider the impact of paperwork and other information collection burdens imposed on the public. An agency may not conduct, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by OMB. The collection of information regarding Exportation of Self-Propelled Vehicles was previously reviewed and approved by OMB in accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) under OMB Control Number 1651-0054. No new information is being collected under this pilot. Therefore, no new information collection or update to the existing information collection is required at this time.

V. Misconduct Under the Pilot

A pilot participant may be subject to civil and criminal penalties, administrative sanctions, liquidated damages, or discontinuance from participation in the pilot for any of the following:

- (1) Failure to comply with the rules, procedures, or terms and conditions of this pilot;
- (2) Failure to exercise reasonable care in the execution of participant obligations; or
- (3) Failure to abide by the applicable laws and regulations that have not been waived.

An intentional violation of an obligation under the pilot will result in the immediate removal of the participant from the pilot, and the violator may be subject to penalties or seizure of the vehicle(s). Continuous technical violations will also result in the participant's being removed from the pilot. Additionally, CBP has the right to suspend or remove a pilot participant based on a determination that an unacceptable compliance risk exists, or where public health interests or safety so require.

If CBP finds that there is a basis to suspend or remove a participant from the pilot, the pilot participant will be provided a written notice informing the participant of immediate suspension or removal from the program. The pilot participant will be offered the opportunity to appeal the decision in writing. Any appeal must be addressed to the Outbound Enforcement and Policy Branch Chief and submitted via email to cbpvehicleexports@cbp.dhs.gov within 15 business days of notification of suspension or removal from the program. The appeal must address the facts or conduct charges contained in the notice and state how the participant has or will achieve compliance. CBP will notify the participant within 30 business days of receipt of an appeal whether the appeal is granted. The participant will not be permitted to participate in the pilot while an appeal is pending and may not become active in the pilot again until CBP approves the participant's reinstatement. If no timely appeal is received, the notice becomes the final decision of the Agency as of the date that the appeal period expires.

Pete Flores,

Executive Assistant Commissioner,

Office of Field Operations,

U.S. Customs and Border Protection.

